

RECORDATION NO. 14548-E Filed 1425

**ITEL** FEB 25 1986 -1 50 PM

INTERSTATE COMMERCE COMMISSION

**Istel Rail Corporation**

55 Francisco Street  
San Francisco, California 94133  
(415) 984-4000

January 29, 1986

*\$10.00 filing fee*

**6-056A102**

No. **FEB 25 1986**

Date **10.00**

Fee \$ **ICC Washington, D.C.**

Honorable James H. Bayne, Secretary  
Interstate Commerce Commission  
Washington, DC 20423

Dear Mr. Bayne:

Pursuant to 49 USC Section 11303(a) and the Interstate Commerce Commission's rules and regulations thereunder, I enclose herewith on behalf of Istel Rail Corporation for filing and recordation under the Sublease Agreement dated as of September 24, 1984 between East Camden and Highland Railroad Company and North Louisiana and Gulf Railroad Company, which was filed with the ICC on January 15, 1985 and given Recordation No. 14548, four (4) counterparts of the following document:

*This one is 14548-E*

Assignment to Istel Rail Corporation of Amendment No. 1 to the Sublease Agreement between East Camden and Highland Railroad Company and North Louisiana and Gulf Railroad Company

Also enclosed is a check in the amount of \$10 to cover the recording fee.

The names and addresses of the parties to the aforementioned are listed below:

- (1) East Camden and Highland Railroad Company (Assignor)  
P.O. Box 3180  
East Camden, Arkansas 71701
- (2) Istel Rail Corporation (Assignee)  
55 Francisco Street  
San Francisco, California 94133

The equipment covered by this Assignment is fifty (50) fifty-foot, 70-ton, Plate C, XM boxcars bearing reporting marks NLG 5601-5650.

Once filed, please return to the bearer the stamped counterparts not required for filing purposes together with the fee receipt and the letter from the ICC acknowledging the filings.

Very truly yours,

*Denise M. Bottarini*

Denise M. Bottarini  
Senior Legal Assistant

DMB:ps  
Enclosures

cc: Robert S. Clark  
J. Michael Kelly  
Ginny Hanger

*Received by John Bruce*

REC'D  
FEB 25 1 45 PM '86  
MOTOR CARRIER DIV.

12/ 3/85

RECORDATION 170 *14548-E* Filed 1425

FEB 25 1986 -1 50 PM

**ASSIGNMENT TO ITEL RAIL CORPORATION  
OF AMENDMENT NO. 1  
TO THE SEPTEMBER 24, 1984  
SUBLEASE BETWEEN EAST CAMDEN AND HIGHLAND RAILROAD COMPANY AND  
NORTH LOUISIANA AND GULF RAILROAD COMPANY**

**ASSIGNMENT OF AMENDMENT AND AGREEMENT** dated as of *December 30* 1985 (hereunder called this "Assignment"), by and between **EAST CAMDEN AND HIGHLAND RAILROAD COMPANY ("EACH")**, an Arkansas Corporation, and **ITEL RAIL CORPORATION**, a Delaware corporation ("Itel Rail").

**WHEREAS**, Itel Rail has entered into a Consolidated, Amended, and Restated Equipment Trust Agreement, dated January 1, 1982 (the "ETC Modification Agreement"), and pursuant to the ETC Modification Agreement, Itel Rail has certain obligations with respect to the Itel Corporation, Itel Rail Corporation 9 1/4% Amended Equipment Trust Certificates 1978 Series 2, due 1993, as set forth in Schedule 2E of the ETC Modification Agreement (the "Amended 1978 Series 2 Trust Certificates"); and

**WHEREAS**, Itel Rail is the successor in interest to Itel Corporation, Rail Division pursuant to Itel Corporation's Amended Plan of Reorganization which became effective on September 19, 1983; and

**WHEREAS**, Itel Rail and the **EAST CAMDEN AND HIGHLAND RAILROAD COMPANY** (hereinafter called the "Lessee") have entered into a Lease (as defined in the ETC Modification Agreement) of Equipment (as defined in the ETC Modification Agreement) dated as of April 26, 1978 (such Lease, together with any amendments and supplements thereto, called the "Lease"), providing for the leasing by Itel Rail to the Lessee of certain units of Trust Equipment (as defined in the ETC Modification Agreement); and

**WHEREAS**, the Lease may also cover the leasing to the Lessee of other Equipment not included as part of the Trust Equipment; and

**WHEREAS**, in order to provide security for the obligations of Itel Rail under the ETC Modification Agreement, Itel Rail assigned to the Trustee for security purposes its rights to and under the Lease, as and only to the extent that the Lease relates to the Trust Equipment, by means of an Assignment (as defined in the ETC Modification Agreement) dated as of November 15, 1978; and

**WHEREAS**, EACH entered into a Sublease (as defined in the ETC Modification Agreement) with the **NORTH LOUISIANA AND GULF RAILROAD COMPANY** (hereinafter called the "Sublessee") dated as of September 24, 1984 (such Sublease together with any amendments and supplements thereto called the "Sublease") providing for the subleasing by EACH to the Sublessee of certain units of the Trust Equipment (the "Subleased Trust Equipment"); and

WHEREAS, EACH and the Sublessee have entered into Amendment No. 1 dated December 20, 1985 (the "Amendment") to the Sublease, providing for the subleasing by EACH to the Sublessee of certain units of the Trust Equipment; and

WHEREAS, in order to provide security for the obligations of EACH under the Lease EACH agrees to assign to Itel Rail for security purposes its rights to and under the Amendment, as and only to the extent that the Amendment relates to the Trust Equipment;

NOW, THEREFORE, in consideration of the payments to be made and the covenants hereinafter mentioned to be kept and performed, the parties hereto hereby agree as follows:

1. EACH hereby assigns, transfers, and sets over unto Itel Rail, as collateral security for the payment and performance of EACH's obligations under the Lease with respect to the Amended 1978 Series 2 Trust Certificates, all of EACH's rights, title, and interest, powers, privileges, and other benefits under the Amendment as and only to the extent that the Amendment relates to the Trust Equipment set forth in Annex A hereto, including, without limitation, all rights to receive and collect all rentals, profits, and other sums payable to or receivable by EACH from the Sublessee under or pursuant to the provisions of the Amendment to the extent that the same are payable in respect of such Trust Equipment, whether as rent, casualty payment, indemnity, liquidated damages or otherwise (such moneys being hereinafter called the "Payments"); provided, however, that until a Default or an Event of Default, as defined in the Lease, shall occur, it is understood that EACH shall be entitled to collect and receive all the Payments and to make all waivers and agreements, to give all notices, consents, and releases, to take all action upon the happening of an Event of Default specified in the Sublease, and to apply all Payments to which EACH is entitled to the payment of any and all of EACH's obligations under the Lease and to retain the balance, if any, except as otherwise provided in the Lease. Also provided, however, that after the occurrence of a Default or an Event of Default, as defined in the Lease, it is understood that Itel Rail shall be entitled to collect and receive all Payments and to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an Event of Default specified in the Lease and to apply all Payments to which Itel Rail is entitled hereunder to the payment of any and all of Itel Rail's obligations under the EIC Modification Agreement and to retain the balance, if any. In furtherance of

the foregoing assignment, but subject to the foregoing provisions of this paragraph, EACH hereby irrevocably authorizes and empowers IteI Rail in its own name, in the name of its nominee, or in the name of EACH or as its attorney, to ask, demand, sue for, collect, and receive any and all the Payments to which EACH is or may become entitled under the Amendment, and to enforce compliance by the Sublessee with all the terms and provisions thereof. Whenever an Amendment to a Sublease covers other Equipment not included as part of the Trust Equipment and the amount of any payment due to EACH under such Amendment as car hire payments (including both straight and incentive per diem), mileage charges, or other rental revenues is calculated on an aggregate basis for all Equipment subleased thereunder, for the purposes of this Assignment an amount equal to the Assigned Fraction (as hereinafter defined) of each such payment shall be deemed to be payable with respect to such Trust Equipment subleased under such Amendment. The term "Assigned Fraction" as used herein shall mean a fraction, the numerator of which shall be the number of units of Equipment comprising such Trust Equipment subleased under such Amendment and the denominator of which shall be the aggregate number of units of Equipment (including such units of Trust Equipment) at the time subleased under such Amendment.

2. This Assignment is executed only as security for the obligations of EACH pursuant to the Lease and to Paragraphs 8 and 14 of the Sublease with respect to the Amended 1978 Series 2 Trust Certificates under the EIC Modification Agreement and, therefore, the execution and delivery of this Assignment shall not subject IteI Rail to, or transfer, or pass, or in any way affect or modify, the liability of EACH under the Amendment, it being understood and agreed that notwithstanding this Assignment or any subsequent assignment, all obligations of EACH to the Sublessee shall be and remain enforceable by the Sublessee, its successor and assigns, against, and only against EACH or persons other than IteI Rail, the Trustee or any holder of Amended 1978 Series 2 Trust Certificates.
3. To protect the security afforded by this Assignment, EACH agrees as follows:
  - (a) EACH will faithfully abide by, perform, and discharge each and every obligation, covenant, and agreement which the Amendment provides is to be performed by EACH;
  - (b) At EACH's sole cost and expense, EACH will appear in and defend every action or proceeding arising under, growing out of, or in any manner connected with the obligations, duties, or liabilities of EACH under the Amendment; and

- (c) Should EACH fail to make any payment or to do any act which this Assignment requires EACH to make or do, then Itel Rail may, but without obligation so to do, after first making written demand upon EACH and affording EACH a reasonable period of time within which to make such payment or do such act, but without releasing EACH from any obligation hereunder, make or do the same in such manner and to such extent as Itel Rail may deem necessary to protect the security provided hereby, including specifically, without limiting its general powers, the right to appear in and defend any action or proceeding purporting to affect the security hereof and the rights or powers of Itel Rail, and also the right to perform and discharge each and every obligation, covenant, and agreement of EACH contained in the Amendment, and in exercising any such powers, Itel Rail may pay necessary costs and expenses, employ counsel, and incur and pay reasonable attorneys' fees, and EACH will reimburse Itel Rail for such costs, expenses and fees.
4. Upon the full discharge and satisfaction of all of EACH's obligations under the Lease Amendment and this Assignment, all rights herein assigned to Itel Rail shall terminate, and all estate, right, title, and interest of Itel Rail in and to the Amendment shall revert to EACH.
5. EACH will, from time to time, do and perform any other act and will execute, acknowledge, and deliver and file, register, deposit, and record (and will refile, reregister, rerecord, or redeposit whenever required) any and all further instruments required by law or reasonably requested by Itel Rail in order to confirm or further assure the interests of Itel Rail hereunder.
6. Itel Rail may assign all or any of the rights assigned to it hereby or arising under the Sublease, including without limitation, the right to receive any Payments due or to become due. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of Itel Rail hereunder. Itel Rail will give written notice to EACH and the Sublessee of any such assignment.
7. This Assignment shall be governed by the laws of the State of New York, but the parties shall be entitled to all rights conferred by the laws of the United States permitting filing with the Interstate Commerce Commission.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in their respective names, by officers thereunto duly authorized, and their respective seals to be affixed and duly attested, all as of the date first above written.

ITEL RAIL CORPORATION

By: Robert Kiehnle  
Vice President

(Seal)

Attest: Howard S. Chober  
Asst. Secretary

EAST CAMDEN AND HIGHLAND RAILROAD  
COMPANY

John R. Roman  
Vice President

(Seal)

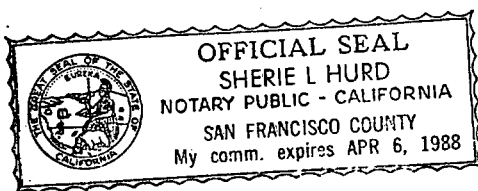
Attest: Ray E. Seabroth  
Asst. Secretary

ANNEX A

<u>No. of Units</u>	<u>Reporting Marks</u>	<u>Trust Equipment Description</u>	<u>AAR Mechanical Designation</u>
50	NLG 5601- 5650	50', 70-ton, Plate C, end-of-car cushioning	XM

STATE OF CALIFORNIA       )  
                                      ) ss:  
COUNTY OF SAN FRANCISCO )

On this 30<sup>th</sup> day of December, 1985, before me personally appeared Robert Kiehne, to me personally known, who being by me duly sworn says that such person is Vice President of IteL Rail Corporation, that the foregoing instrument was signed on behalf of said Corporation by authority of its board of directors, and that such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Sherie L. Hurd  
Notary Public

STATE OF Arkansas )  
                                      ) ss:  
COUNTY OF Quachita )

On this 24<sup>th</sup> day of December, 1985, before me personally appeared George R. O'Connor & Roy J. Hedletter, to me personally known, who being by me duly sworn says that such person is Vice President & Asst. Secretary of EAST CAMDEN AND HIGHLAND RAILROAD COMPANY, that the foregoing instrument was signed on behalf of said corporation by authority of its board of directors, and that such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

My Commission Expires:  
10-1-91

Irina J. Mounts  
Notary Public